

KEYSPAN ENERGY DELIVERY NEW ENGLAND
D.T.E. 05-68

FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO
KEYSPAN ENERGY DELIVERY NEW ENGLAND

DTE 1-7

Date: February 1, 2006

Respondent: Theodore Poe, Jr.

- Q. Please explain whether or not the Company uses or tests models other than the SENDOUT® model. If so, how does the SENDOUT® model compare to the other models? If no, please discuss whether the Company seeks other alternatives to the SENDOUT® model.
- A. Historically, the Company has used a variety of different models in analyzing the sendout requirements of its customers. In the 1980s, the Company had used its own, internally-developed models (both a mainframe-based model and a model developed using the iThink software package). In the 1990s, the Company progressed to using the Contract/Mix model and then to using the SENDOUT® model. While the Company continues to monitor the market for other possible models, the SENDOUT® model currently serves as an excellent tool for analyzing sendout requirements. While the Company's earlier models were deterministic in requiring pre-defined rules on the sequence of dispatch of supplies and the rates at which to use storage supplies, the SENDOUT® model is a linear programming model whose cost-minimization objective function can assist the Company in determining dispatch priorities and utilization rates.